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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$16.99 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.87 /LB

EFFECTIVE SEPTEMBER 1, 2005:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.99 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 18.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.87.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$13.40 /CWT

Average spray process dry milk solids

price per pound = \$1.01750
Multiplied by 8.2 x 8.2

\$8.34350

\$8.34350

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.50050
Multiplied by 4.2 x 4.2

\$6.30210

+ \$6.30210

LESS a make allowance of 8.5% (\$14.6456 X .085)

+ \$14.64560

- \$1.24488

\$13.40072

Rounded to the nearest whole cent = \$13.40 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$1.67 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.50050	X .111)	= \$0.16656
Rounded to the nearest half cent				= \$0.167

Butterfat value per pound	
for milk at 3.5% test:	\$1.67

Hundredweight price of milk testing 3.5%		=	\$13.40
LESS 3.5 pounds of butterfat at	\$1.67	per pound	- \$5.845
Value of 96.5 pounds of skim		=	<u>\$7.555</u>

CLASS II VALUE OF

ONE POUND OF SKIM	7.555 / 96.5 pounds)	=	<u>\$0.07829 /LB</u>
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$11.41 /CWT**

3.5 pounds of butterfat	x	\$1.35	per pound =	\$4.725
96.5 pounds of skim	x	\$0.06925	per pound =	\$6.683
				<u>\$11.408 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.35 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	= \$1.50050
LESS 10%	- \$0.15005
	<u>\$1.35045</u>

Rounded to the nearest whole cent	=	\$1.35	per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.92511 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.01750
Multiplied by 8.2	x <u>8.2</u>
	\$8.34350
LESS 17%	- <u>\$1.41840</u>
	<u>\$6.92511</u>

Rounded to the nearest whole cent	=	\$6.93	per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.99 FOR 3.5% MILK 96.5 LBS = \$10.445			CLASS II SKIM PRICE BASED ON \$13.40 FOR 3.5% MILK 96.5 LBS = \$7.555			CLASS III SKIM PRICE BASED ON \$11.41 FOR 3.5% MILK 96.5 LBS = \$6.683		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-95	\$ 13.70	\$ 9.29	Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60
Feb-95	\$ 13.27	\$ 8.91	Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78
Mar-95	\$ 13.40	\$ 9.14	Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50
Apr-95	\$ 13.12	\$ 9.24	Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20
May-95	\$ 13.53	\$ 8.83	Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84
Jun-95	\$ 12.89	\$ 8.38	Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79
Jul-95	\$ 12.63	\$ 8.77	Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46
Aug-95	\$ 13.31	\$ 9.09	Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15
Sep-95	\$ 13.09	\$ 9.45	Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36
Oct-95	\$ 13.51	\$ 9.62	Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11
Nov-95	\$ 13.73	\$ 9.71	May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66
Dec-95	\$ 14.17	\$ 10.34	Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61
Jan-96	\$ 14.77	\$ 10.75	Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61
Feb-96	\$ 14.75	\$ 9.63	Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52
Mar-96	\$ 13.39	\$ 9.94	Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65
Apr-96	\$ 13.78	\$ 9.40	Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06
May-96	\$ 14.18	\$ 9.37	Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80
Jun-96	\$ 13.98	\$ 9.84	Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49
Jul-96	\$ 15.42	\$ 11.48	Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00
Aug-96	\$ 16.52	\$ 13.19	Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40
Sep-96	\$ 16.14	\$ 13.37	Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67
Oct-96	\$ 16.33	\$ 12.47	Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08
Nov-96	\$ 17.19	\$ 10.54	May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38
Dec-96	\$ 15.41	\$ 8.09	Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22
Jan-97	\$ 13.25	\$ 11.85	Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59
Feb-97	\$ 13.01	\$ 9.83	Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64
Mar-97	\$ 13.35	\$ 9.95	Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48
Apr-97	\$ 13.84	\$ 9.88	Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94
May-97	\$ 13.79	\$ 8.11	Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95
Jun-97	\$ 12.37	\$ 8.09	Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97
Jul-97	\$ 12.34	\$ 8.14	Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58
Aug-97	\$ 12.41	\$ 9.59	Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19
Sep-97	\$ 12.80	\$ 10.38	Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29
Oct-97	\$ 13.76	\$ 10.50	Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17
Nov-97	\$ 14.05	\$ 11.22	May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49
Dec-97	\$ 14.22	\$ 10.43	Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81

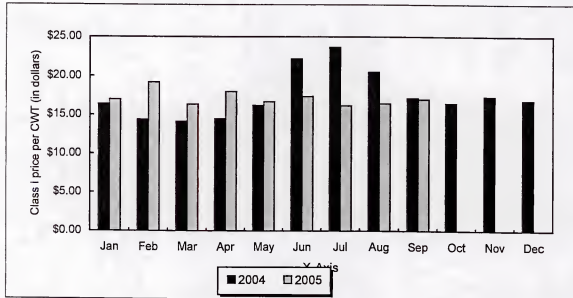
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2004	2005	Difference	% Change
January	\$16.39	\$16.98	\$0.59	3.60%
February	\$14.40	\$19.20	\$4.80	33.33%
March	\$14.14	\$16.34	\$2.20	15.56%
April	\$14.49	\$17.98	\$3.49	24.09%
May	\$16.19	\$16.68	\$0.49	3.03%
June	\$22.20	\$17.35	(\$4.85)	-21.85%
July	\$23.68	\$16.17	(\$7.51)	-31.71%
August	\$20.50	\$16.44	(\$4.06)	-19.80%
September	\$17.17	\$16.99	(\$0.18)	-1.05%
October	\$16.49			
November	\$17.33			
December	<u>\$16.84</u>			
Average	\$17.49	\$17.13	(\$0.56)	0.58%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

JUNE 2005: class I = \$9.49; class II = \$2.23; Class III = \$3.06; total = \$14.79

(calculations based upon utilization percentages of butterfat & skim)